**COMMITTEE ON ECONOMIC DEVELOPMENT AND AGRICULTURE**

**03/18/2026-SPECIAL ORDERED**
**02/27/2026-REPORTED OUT TO THE COMMITTEE ON RULES AND JUDICIARY**
**02/27/2026-REASSIGNED TO THE COMMITTEE ON BUDGET, APPROPRIATIONS AND FINANCE**

# BILL NO. 36-0259

## Thirty-Sixth Legislature of the Virgin Islands

**February 26, 2026**

An act amending title 29 Virgin Islands Code, chapter 23, section 1313 by expanding benefits under the Hotel Development Program for hotel improvement and expansion projects on St. Croix

**PROPOSED BY:** Senators Kurt A. Vialet, Novelle E. Francis, Jr. and Clifford A. Joseph Sr.
Sponsors: Dwayne M. DeGraff and Angel L. Bolques, Jr.
Co-sponsor: Hubert L. Frederick

***Be it enacted by the Legislature of the Virgin Islands:***

**SECTION 1.** Title 29 Virgin Islands Code, chapter 23, section 1313 is amended as follows:

(a) In subsection (a):

(1) strike paragraphs (1) and (2) in their entirety and insert new paragraphs (1) and (2):

"(1)(A) For new hotel development projects where all non-appealable permits for development have not been finalized prior to the effective date of this act,

(B) for hotel facility improvement or expansion projects which: (i) are located on the island of St. Croix; (ii) commit to a capital investment in excess of $25 million; and (iii) result in the expansion of an existing hotel property room inventory by at least 25 percent, 100 percent of the revenues generated from the Designated Hotel Room Occupancy Tax, Designated Casino Tax on Gross Revenue, and the Economic Recovery Fee, if applicable, shall be allocated to and deposited into the Project's Fund;

(2)(A) For hotel projects where not less than 70 percent of the units have not been able to be occupied due to natural events and related effects, or (B) for hotel facility improvement or expansion projects which:

(i) are located on the island of St. Croix; and

(ii) commit to a capital investment in excess of $10 million, 50 percent of the revenues generated from the Designated Hotel Room Occupancy Tax and the Designated Casino Tax on Gross Revenue, and 100 percent of the revenues generated from the Economic Recovery Fee, if applicable, shall be allocated to and deposited into the Project's Fund; and".

(2) in paragraph (3):

(A) strike all the language before "100% of the revenues" and insert the following new language:

"For hotel facility improvement or expansion projects not satisfying the requirements in paragraphs (1) or (2),"

(B) strike "Project's Fund" and insert "ERF Trust Account".

(b) In subsection (b), strike ", at the election of the applicant, one hundred percent (100%)" and insert "100 percent".

(c) Re-designate subsection (b) as subsection (d) and insert the following new subsections (b) and (c):

"(b) To qualify for the revenue allocation in subsection (a)(1)(B), the applicant shall, as part of the applicant's original application for benefits under the Program, submit a detailed plan of the proposed hotel facility improvement or expansion project which includes:

(1) a detailed scope of work that demonstrates a projected capital investment that exceeds $25 million; and

(2) an anticipated schedule for completion which reflects substantial completion within five years following execution of the Program agreement. Failure to substantially complete the project within the time results in the project being eligible only for the revenue allocation applicable under subsection (a)(2) beginning on the first day of the sixth year following execution of the Program agreement.

(c) To qualify for the revenue allocation in subsection (a)(2)(B), the applicant shall, as part of the applicant's original application for benefits under the Program, submit a detailed plan of the proposed hotel facility improvement or expansion project which includes:

(1) a detailed scope of work that demonstrates a projected capital investment that exceeds $10 million; and

(2) an anticipated schedule for completion which reflects substantial completion within two years following execution of the Program agreement."

(d) Add subsection (e):

"(e)(1) The term "hotel facility improvement or expansion project" as used in this section includes the construction of additional hotel rooms, event spaces, business centers, dining venues, fitness gyms, wellness spas, and other recreation areas.

(2) The term "room inventory" as used in this section includes both additional guest rooms and dedicated staff lodging as compared to the property room inventory at time of filing the application for benefits under the Program."

## BILL SUMMARY

The bill amends title 29 Virgin Islands Code, chapter 23, section 1313 by expanding benefits under the Hotel Development Program for hotel improvement and expansion projects on St. Croix.

**BR26-0968/February 4, 2026/GC**